

Message Text

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INFO OCT-01 EA-10 ISO-00 EB-07 /018 R

DRAFTED BY COM/BIC/OED/MEPD/TJASPER/CF
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COM/BIC/OED/MEPD/CATKINS
COM/BIC/OED/MEPD/JMSANDS, DIR.
COM/BIC/OIM/(INFO)
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FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA IMMEDIATE

UNCLAS STATE 107756

E.O. 11652: N/A

TAGS: BEXP, ID

SUBJECT: CONSULTING CONTRACT ON KRAKATAU STEEL

REF: JAKARTA 5345

1. FOLLOWING IS ARMCO'S RESPONSE TO ARIWIBOWO INVITATION
ON KRAKATAU CONSULTING CONTRACT:

--- A) CLIENTS NAME/COUNTRY: SOMISA/ARGENTINA
--- SERVICES PROVIDED: ENGINEERING CONSTRUCTION
--- MANAGEMENT AND DRAWING UP OF MASTER PLAN
--- FACILITY DESCRIPTION: INTEGRATED CARBON STEEL
--- EXPANSION FROM 1.0 MILLION M.T./Y TO 2.5
--- MILLION M.T./Y
--- VALUE: 300 MILLION DOLLARS
--- REMARKS: TECHNICAL AID UNDER SEPARATE AGREEMENT

--- B) CLIENTS NAME/COUNTRY: ACESITA/BRAZIL
--- SERVICES PROVIDED: DRAWING UP MASTER PLAN AND
--- PREPARATION OF SPECIFICATIONS
--- VALUE: 330 MILLION DOLLARS
--- REMARKS: TECHNICAL AID AND PROCESS LICENSE
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--- INCLUDED

C) CLIENTS NAME/COUNTRY: JESENICE/YUGOSLAVIA
SERVICES PROVIDED: ENGINEERING CONSULTATION

FACILITY DESCRIPTION: 600,000 MT/Y INTEGRATED
STEEL PLANT EXPANSION TO PRODUCE CARBON
SILICONE STAINLESS STEELS
VALUE: 120 MILLION DOLLARS

REMARKS: TECHNICAL AID AND PROCESS LICENSE
INCLUDED

D) CLIENTS NAME/COUNTRY: AUSTRALIAN STEEL AND
MINING/AUSTRALIA
SERVICES PROVIDED: FEASIBILITY AND PLANNING
STUDIES
FACILITY DESCRIPTION: INTEGRATED 2 MILLION MT/Y
EXPANSION TO PRODUCE SEMI'S. EVALUATED
BOTH DIRECT REDUCTION AND BOF TECHNOLOGY
APPLICATIONS.
VALUE: 500 TO 800 MILLION DOLLARS
REMARKS: ARMCO IS PART OWNER

E) CLIENTS NAME/COUNTRY: ARMCO/MARSTEEL CORPORATION
PHILLIPINES
SERVICES PROVIDED: SCOPING STUDIES AND PRE-
LIMINARY ENGINEERING
FACILITY DESCRIPTION: 100,000 MT/Y SPECIALITY
PLANT
VALUE: 20 MILLION DOLLARS
REMARKS: PROCESS LICENSING FOR GRINDING MEDIA

F) CLIENTS NAME/COUNTRY: ACEROS NACIONALES/MEXICO
SERVICES PROVIDED: FEASIBILITY STUDIES AND
MASTER PLAN
FACILITY DESCRIPTION: 150,000 MT/Y SPECIALITY
ROD AND WIRE PLANT EXPANSION AND MODERNIZATION

VALUE: 15 MILLION DOLLARS
REMARKS: PART OWNER

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G) CLIENTS NAME/COUNTRY: ARMCO/U.S.
SERVICES PROVIDED: FEASIBILITY STUDIES AND
FACILITY SELECTION
FACILITY DESCRIPTION: 9 MILLION MT/Y MULTI-
PLANT MODERNIZATION INCLUDING DIRECT REDUCTION,
ELECTRIC FURNACE AND BOF MELTING, FLAT AND NON-
FLAT PRODUCTS.

ON MOST PROJECTS ARMCO RETAINED ENGINEER CONTRACTORS TO
HANDLE DESIGN AND CONSTRUCTION. ARMCO ESTABLISHED
TECHNICAL AND ECONOMIC FEASIBILITY, SELECTED PROCESSES,
AND SUPERVISED ENGINEERING WORK.

DIRECT REDUCTION: ARMCO OPERATES ON 1,000 MT/D
GASEOUS DIRECT REDUCTION PLANT OF ITS OWN DESIGN
THAT HAS BEEN IN COMMERCIAL OPERATION OVER TWO
YEARS FOLLOWING FIFTEEN YEARS DEVELOPMENT AND PILOT
PLANT OPERATION. SECOND GENERATION DIRECT REDUCTION
PLANT 1500 MT/D PROGRAMED FOR START-UP 1978. ARMCO
DIRECT REDUCTION PLANTS NOW BEING MARKETED WORLDWIDE
BY FOSTER WHEELER CORPORATION.

2. WE HAVE NOT RECEIVED MCKEE'S PREQUALIFICATION
STATEMENT. THEY HAVE INDICATED THAT THEY ARE HAVING
DIFFICULTY MEETING KRAKATAU DEADLINE BECAUSE OF
PRESS OF BUSINESS BUT AS SOON AS THEIR ANSWER TO THE
TELEX IS FINISHED THEY WILL IMMEDIATELY WIRE US A
COPY. IN THEIR RESPONSE THEY WILL ATTEMPT TO ANSWER
ARIWIBOWO'S QUESTIONS. WE RECOGNIZE THIS MAY PUT
EMBASSY IN DIFFICULT POSITION IN TERMS OF RESPONDING
FULLY TO ARIWIBOWO'S REQUEST. IF THIS IS THE CASE
EMBASSY SHOULD CABLE US IMMEDIATELY.
KISSINGER

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<< END OF DOCUMENT >>

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